

# NEWSLINE

Savings Plus Program

4th Quarter 2002

## Retirement Planning: How Do I Start?

*Think about it:  
Your retired life could  
last nearly as long as  
your working life.*

That's a lot of income to replace. To make sure you'll have enough money for a comfortable retirement, you need to have a sound financial plan.

To develop your own plan, start by answering the two questions below. If you need help, our Web site has a questionnaire to guide you (under "Investment Education"). There's also a questionnaire in the Savings Plus Investment Guide.

### 1. What's my time horizon?

Your "time horizon" depends on the number of years your money will be invested. That generally means the number of years you have until retirement, but also consider how long your money needs to last after you retire. The longer you can leave your money invested, the longer your time horizon.

Knowing your time horizon helps you decide what type investments you should choose for your Savings Plus account. Long-term investing is different from short-term investing, with varying degrees of risk.

### 2. What's my risk tolerance?

"Risk tolerance" refers to your comfort level with

investments. For example, you have lower risk tolerance if you're uncomfortable with investments that lose value in the short run but have long-term growth potential. You have higher risk tolerance if you're comfortable with investments that go through short-term declines but offer higher returns in the long run.

*(continued on page 2)*

### Inside this issue:

Retirement Planning	1
Ticker and VRS Fund Codes	2
Savings Plus Checks	3
Change Your Periodic Payments	3
Ticker Symbols Now Listed	3
1099-R in the Mail	3
SPP Expands 401(k) Payment Options	3
Save Calories for Retirement	4
Put Your Tax Refund to Work	4

## Retirement Planning

(continued from page 1)

In general, to get higher returns, you have to be willing to accept higher risk. Investments that have the lowest risk generally have the lowest returns. Only you can decide how much risk you're comfortable with.

### What's the next step?

Once you know your time horizon and risk tolerance, you're ready to map out an investment strategy that will be the basis of your financial plan.

Your investment strategy, also called "asset allocation," is the single-most important factor in your financial plan's success. It involves choosing a diversified mix of stocks, bonds, and cash investments that's appropriate for your time horizon and risk tolerance. You should review your asset allocation periodically to make sure it still fits your time horizon and risk tolerance.

If you're a younger investor, you may be able to withstand short-term fluctuations in your investments' value because you may have many years to recover losses. You may want to maximize your SPP account's growth potential by choosing an asset allocation mix that's mostly stocks and growth mutual funds.

As you get closer to retiring, you may want to consider shifting some of your SPP assets from stocks to bonds, which tend to be more stable than stocks. Bonds are designed to provide a predictable cash flow and may provide more attractive returns than moving your funds directly into short-term investments such as cash and cash equivalents. You also may want to keep some of your assets in stocks. After all, your retirement could last 20 years or more, and the returns from stocks may help you keep pace with inflation.

If you don't yet have a financial plan for retirement, make it a New Year's resolution to do it now. The sooner you start, the easier it will be to meet your retirement income goals.

## Ticker Symbols and VRS Fund Codes

The VRS requires a 4-digit code for an investment option you want to inquire about or change. This list of fund codes is current as of December 2002.

Fund	Ticker	Code
Accessor Small to Mid-Cap Advisors . . . . .	ASMCX	2240
CALPERS S&P 500 Index . . . . .		2750
CALPERS US Intermediate ( <i>transfers out only</i> ) . . . . .		2752
CALPERS US Short Term ( <i>transfers out only</i> ) . . . . .		2751
Domini Social Equity . . . . .	DSEFX	2802
Dwight Asset Management (GIC) . . . . .		2810
Federated Stock Trust . . . . .	FSTKX	3445
Franklin Balance Sheet Investment . . . . .	FRBSX	7817
Glenmede Inst International . . . . .	GTHIX	4350
Growth Fund of America . . . . .	AGTHX	2484
Hartford Advisors HLS . . . . .	HADAX	4250
Hartford Stock HLS . . . . .	HSTAX	4252
Janus Twenty . . . . .	JAVLX	5270
Gartmore Investor Destinations (ID):		
ID Aggressive Service Class . . . . .		9723
ID Conservative Service Class . . . . .		9719
ID Moderately Aggressive Service Class . . . . .		9722
ID Moderately Conservative Service Class . . . . .		9720
ID Moderate Service Class . . . . .		9721
Savings Pool . . . . .		2230
T Rowe Price Mid-Cap Growth . . . . .	RPMGX	7736
VALIC Fixed Interest Option . . . . .		8965
Vanguard GNMA . . . . .	VFIJX	8240
Vanguard Total Bond Market Index Instl . . . . .	VBPIX	8261
Vanguard US Growth . . . . .	VWUAX	8954
Variable Annuity Hartford Sub Accounts:		
American Century Growth & Income . . . . .		4237
Franklin Small-Mid Cap Growth . . . . .		4239
Hartford Bond HLS . . . . .		4233
Hartford Capital Appreciation HLS . . . . .		4238
Hartford Index HLS . . . . .		4234
Hartford Money Market HLS . . . . .		4231
Hartford Mortgage Securities HLS . . . . .		4232
Janus Adviser International . . . . .		4240
Janus Balanced . . . . .		4230
MFS Capital Opportunities . . . . .		4235
MFS Mass. Investors Growth Stock . . . . .		4236
American General Fixed Annuity		
( <i>transfers out only</i> ) . . . . .		4301
Variable Annuity American General Sub Accounts:		
( <i>transfers out only</i> ) . . . . .		
VALIC Asset Allocation fund . . . . .		4302
VALIC Money Market Index fund . . . . .		4306
VALIC Stock Index fund . . . . .		4307
Nationwide Fixed Annuity ( <i>transfers out only</i> ) . . . . .		9769
Variable Annuity Nationwide Sub Accounts:		
( <i>transfers out only</i> ) . . . . .		
Gartmore Total Return fund . . . . .		9800
Gartmore VA Mass. Investors Growth . . . . .		9801
Gartmore VA Putnam Investors . . . . .		9802
Gartmore VA Seligman Growth . . . . .		9803
Self Directed Option		
Schwab PCRA . . . . .		7272

Note: Ticker symbols are not provided for investments which are not publicly traded mutual funds.

# NewsLine Notes



## **New Look for Savings Plus Checks**

You will notice a change on your direct deposit notification or check in the first quarter of 2003. Although it will look different, the timing, amount, and withholding will be the same. The bank routing and account number will be removed to protect your confidential information. This change will be in effect for all checks issued by Nationwide Retirement Solutions, SPP's recordkeeper.

## **VRS Fund Code Chart Now Lists Ticker Symbols**

To help you track your SPP investments, we've added ticker symbols to the VRS Fund Code chart (see page 2).

Ticker symbols are letters used to identify publicly traded stocks or mutual funds. The symbols can be found in local newspapers, the Wall Street Journal, Standard & Poor's, Morningstar, and various financial sites on the Internet. For SPP investment options that are not publicly traded funds, this chart does not show a ticker symbol.

## **Change Your Periodic Payments Anytime**

We want to update some news we reported in the October 2002 Special Edition NewsLine, which said you could only change periodic payments from your 457 plan once a year, from April 1 to May 31.

Distributions from 457 plans now can be made anytime. If you need to change the amount or frequency of your payments, complete a new Beneficiary Payment Application. The form is available on our Web site or you can order it by phone.

## **Look In Your Mailbox For Your 1099-R**

If you received a payment from your SPP account in 2002, keep an eye on your mailbox for your 1099-R tax document. Nationwide Retirement Solutions sent the document in January. If you haven't received it by February 15, request a copy by calling us toll free at 1-866-566-4777 (press \*0 to speak to customer service representative).

## **SPP Expands Payment Options for 401(k) Plan**

If you have a 401(k) Plan, SPP will now allow you to request periodic payments when you're ready to start distributions from your account. This payment option already is available for our 457 Plan.

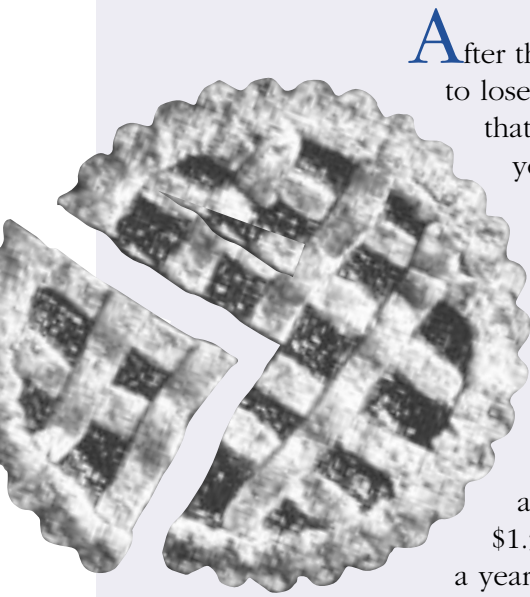
You can choose from two types of periodic payments, which can be made either monthly or annually:

- Fixed period — specify how many years you want to receive payments, or
- Fixed amount — specify the dollar amount you want to receive per payment.

The Benefit Payment Application (rev. 1/2003) describes all your payment options in full detail. To print it from our Web site, go to [www.sppforu.com](http://www.sppforu.com), click on Plan Info & Forms, then Forms and Publications. You also can request the form by calling our Voice Response System at (866) 566-4777. Enter your Social Security number and PIN, press 4, then 5, and enter 8039. Allow 6-10 days for delivery.



## Save Calories for Retirement



After the holidays, a lot of us resolve to lose weight and eat better. If that's your New Year's resolution, you may have found a new way to increase deferrals.

Put your budget on a diet! You can save perhaps a dollar a day by selecting a regular cup of coffee instead of a cappuccino. Brew it yourself at home and tack on another 50 cents daily. That's \$1.50 a day, \$7.50 a week or \$375 a year you can save.

Cut a daily 75-cent doughnut to add \$3.75 a week, \$187 annually. Pass up a 50-cent bag of chips each day for another \$2.50 a week and \$125 each year. Drop a 65-cent soda from your daily diet and you've saved \$3.25 a week and \$162 for the year.

Altogether, that's a bit more than \$15 a week or \$780 per year that could be put toward your retirement. So decreasing your daily expenses may help you grow your tax deferred deferrals and over time may help you provide more income when you retire.



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### How to Reach Us

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#### Web site:

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(866) 566-4777

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(916) 327-4266  
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## Put your tax refund to work for retirement

At this time of year, it's tempting to splurge on yourself and use your IRS refund to pay for it. This year, consider splurging for your retirement by investing your refund in your deferred compensation account.

It's easy, and you may appreciate it a lot more when you retire.

As soon as you know how much you can expect as a refund from the Internal Revenue Service, divide that

amount by the number of paydays left this year. Then increase your deferrals by that amount.

For example, if your tax refund totals \$800 and you have 8 paydays left, your deferral increase amount would be \$100 per payday.

To change your contribution amount, simply call our toll-free VRS number or visit our Web site.